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## TIMOR-LESTE

### KEY LEGISLATIVE DEVELOPMENTS

#### 2019 STATE BUDGET

Law No. 2/2019, of 2 February enacted the 2019 State Budget.

Revenue and expenditure are forecasted at approximately USD 1,256,000 and USD 1,482,000, respectively.

#### FIRST AMENDMENT TO THE PETROLEUM ACT

Law No. 1/2019, of 18 January enacted the first amendment to Law No. 13/2005, of 2 September (Petroleum Act). In essence, this statute:

- Clarifies that the participation of the State or any Timorese public entity, including entities wholly owned or controlled by the latter, in petroleum operations will not be limited to a maximum 20% interest, provided that the participation results from a commercial transaction or from decision to award in accordance with the law;
- Creates an exception to the regime of prior supervision of the Audit Chamber of the Superior Administrative, Fiscal and Audit Court (currently within the Court of Appeal), exempting from prior visa any contracts related to the acquisition of rights by the State or any other public entities, including those of a commercial nature, to participate in petroleum operations.

The statute has effects as of 27 September 2018.

#### GOVERNMENT RESOLUTION NO. 5/2019, OF 30 JANUARY – GREATER SUNRISE

- Approves the Sale and Purchase Agreement pertaining to the 26.56% participating interest held by Shell Australia in the Greater Sunrise fields, for an approximate USD 300,000,000;
- Approves the transfer of the participating interest and rights acquired by the State to TIMOR GAP - Timor Gás & Petróleo, E.P., such interest and rights to be performed through three subsidiaries fully owned by TIMOR GAP;
- Authorizes the Government to raise the necessary funds to finance the transaction.

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## FIRST AMENDMENT TO THE GENERAL FRAMEWORK ON CIVIL AVIATION

The first amendment to Decree-Law No. 1/2003, of 10 March, which enacted the General Framework on Civil Aviation, was approved. The Government is now entitled to classify airports as “international” by means of Resolution, under proposal of the member of the Government responsible for the Transport sector. This amendment is aimed at allowing a more flexible use of airport infrastructures in international flights.

## MINISTERIAL DIPLOMA NO. 3/2019, OF 6 FEBRUARY – LICENSING OF SLOT MACHINES

- Authorizes the opening of a public tender to award up to five slot machines concessions, for a period of thirty days. The maximum number of slot machines for each concession will be determined by the General Inspectorate for Gambling, based on the applications. The maximum period of the concessions will be set forth in the award decision;
- Approves the rules of the tender, including those pertaining to the submission of proposals, exclusion grounds and the preference factors that must be respected in the event of equal offers, for the purposes of awarding the concession;
- Establishes the eligibility criteria that must be met by the concessionaires as well as rules concerning the obligations of the contractor.

The diploma entered into force on 7 February.